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33-6534 MOTORS MECHANICAL REINSURANCE CO LTD

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For quarterly period ended March 31, 1992

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number 33-6534

Motors Mechanical Reinsurance Company, Limited
(Exact name of registrant as specified in its charter)

Barbados	NA
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Collymore Rock, St. Michael, Barbados	NA
(Address of principal executive offices)	(Zip Code)

(809) 436-4895
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	As of March 31, 1992
Common Stock, no par-value	2,000
Participating Stock, no par-value	11,500

This quarterly report, filed pursuant to Rule 13a-13 of the General Rules and Regulations under the Securities Exchange Act of 1934, consists of the following information as specified in Form 10-Q:

PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

1. Balance Sheets, March 31, 1992 and December 31, 1991.

2. Statements of Income and Retained Earnings for the three month periods ended March 31, 1992 and March 31, 1991.

3. Statements of Cash Flows for the three month periods ended March 31, 1992 and March 31, 1991.

In the opinion of Management, the accompanying financial statements reflect all adjustments, consisting of normal recurring accruals, which are necessary for a fair presentation of the results for the interim periods presented.

MOTORS MECHANICAL REINSURANCE COMPANY, LIMITED
BALANCE SHEETS
(Expressed in U.S. Dollars)

	March 31, 1992 (unaudited)	December 31, 1991
ASSETS		
Investments	$20,973,295	$16,319,288
Cash and cash equivalents	256,014	3,589,433
Accrued investment income	1,092,346	892,921
Due from ceding company	1,177,289	1,703,338
Deferred acquisition costs	5,879,458	5,619,076
Prepaid expenses	1,875	0
Total Assets	$29,380,277	$28,124,056
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Unearned premium	22,680,076	21,682,335
Loss reserves	1,472,562	1,396,542
Accrued liabilities	107,370	69,126
Total Liabilities	24,260,008	23,148,003
STOCKHOLDERS' EQUITY		
Share capital		
Common stock - no par value; Authorized - 2,000 shares; issued and outstanding - 2,000 shares	200,000	200,000
Participating stock - no par value; Authorized - 100,000 shares; issued and outstanding - 11,500 shares as of March 31, 1992 and 10,900 shares as of December 31, 1991	862,500	817,500
	1,062,500	1,017,500
Retained earnings	3,753,579	3,043,266
Unrealized appreciation on investments	304,190	915,287
Total Stockholders' Equity	5,120,269	4,976,053

Total Liabilities and Stockholders' Equity	$29,380,277	$28,124,056

MOTORS MECHANICAL REINSURANCE COMPANY, LIMITED
STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE THREE MONTH PERIODS ENDED
MARCH 31, 1992 AND MARCH 31, 1991
(UNAUDITED)
(Expressed in U.S. Dollars)

	Three Month Periods Ended March 31, 1992	March 31, 1991
INCOME		
Reinsurance premiums written	$3,912,738	$ 3,949,450
Increase in unearned premiums	997,741	1,525,559
Premiums earned	2,914,997	2,423,891
Investment income		
Interest earned	384,790	297,390
Realized gains on investments	91,977	147,738
Investment income - net	476,767	445,128
TOTAL INCOME	3,391,764	2,869,019
EXPENSES		
Acquisition costs	756,943	667,542
Losses paid	1,726,361	1,509,953
Increase in loss reserves	76,020	119,817
Administrative expenses	122,127	86,076
TOTAL EXPENSES	2,681,451	2,383,388
NET INCOME	710,313	485,631
RETAINED EARNINGS, beginning of period	3,043,266	1,273,198
RETAINED EARNINGS, end of period	$3,753,579	$1,758,829

MOTORS MECHANICAL REINSURANCE COMPANY, LIMITED
STATEMENTS OF CASH FLOWS FOR THE THREE MONTH PERIODS ENDED
MARCH 31, 1992 AND MARCH 31, 1991
(Unaudited)
(Expressed in U.S. Dollars)

	Three Month Periods Ended March 31, 1992	March 31, 1991
Cash flows from operating activities:		
Reinsurance premiums assumed	$ 4,461,621	$ 2,386,254
Underwriting expenses paid	(2,779,824)	(2,291,808)
Administrative expenses paid	(73,360)	(64,531)
Investment income received	278,248	413,248
Net cash provided by operating activities	1,886,685	443,163
Cash flows from investing activities:		
Purchases of marketable securities	(15,355,645)	(8,263,331)
Sales and maturities of marketable securities	10,090,541	8,041,038
Net cash invested	(5,265,104)	(222,293)
Cash flow from financing activities:		
Proceeds from issuance of Participating stock	45,000	30,000
Net cash provided by financing activities	45,000	30,000
Increase/(decrease) in cash and cash equivalents	(3,333,419)	250,870
Cash and cash equivalents, beginning of period	3,589,433	286,856
Cash and cash equivalents, end of period	$ 256,014	$ 537,726
Reconciliation of net income to net cash provided by operating activities:		
Net income	$ 710,313	$ 485,631
Change in:		
Accrued investment income	(199,425)	(43,766)
Due from ceding company	526,049	(1,247,547)
Deferred acquisition costs	(260,382)	(395,126)
Prepaid expenses	(1,875)	(1,875)
Unearned premium	997,741	1,525,559
Loss reserves	76,020	470
Accrued liabilities	38,244	119,817
Net cash provided by operating activities	$ 1,886,685	$ 443,163

Item 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations

Liquidity. It is anticipated that the Company will continue to be able to generate sufficient funds from operations to meet current liquidity needs. Premiums generated by the Company's reinsurance business combined with proceeds from the sale of Shares will continue to be the principal sources of funds for investment by the Company. Such funds, and investment earnings thereon, will be available to meet the Company's liquidity requirements. No capital expenditures are expected during the next few years.

On April 30, 1992, the Board of Directors authorized the payment of dividends to eligible holders of Participating Shares aggregating $1,021,705.

Capital Resources. As of March 31, 1992, the share capital of the Company was $1,062,500 comprised of paid in capital with respect to the Common Stock of $200,000 and paid in capital with respect to Participating Shares of $862,500. In addition, the Company had surplus from retained earnings in the amount of $3,753,579.

Under Barbados law, the Company is required to maintain net assets equal in value to at least 20% of premium income during the preceding financial year. MIC has agreed to provide additional capital for a period of at least 5 years from the date that Shares were first issued (i.e. until December 11, 1992). The Company is currently in compliance with the net asset value requirements of Barbados insurance law without the need for a letter of credit from MIC.

Results of Operations. The Company has recorded net income for the three month period ended March 31, 1992, of $710,313 compared to net income of $485,631 for the three month period ended March 31, 1991.

Net Premium volume continues to increase as additional participants are added to the program. During the quarter ended March 31, 1992, six new series of Shares were added bringing the total number of series approved to 115. The ratio of losses incurred to premiums earned for the quarter under review is 61.8% as compared to 67.2% for the three month period ended March 31, 1991. The improvement of this ratio is attributable to a combination of factors including the expiration of certain unlimited mileage GMPP mechanical plans. The loss ratio may not be indicative of underwriting results for the entire year.

Investment income continues to increase as net premium flow to the Company generates additional funds available for investment. Cash, cash equivalents and investments valued at market have increased from $19,908,721 at the beginning of the year to $21,229,309 at March 31, 1992.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

No reports on Form 8-K were filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MOTORS MECHANICAL REINSURANCE COMPANY, LIMITED (Registrant)

By:s/Ronald W. Jones
Ronald W. Jones
Vice President,
signing on behalf of
the Registrant, and
Principal Financial Officer

Dated: May 12, 1992